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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re:

Case No. 18-03197 FPC 7

GIGA WATT, Inc., a
Washington corporation,
Debtor.

The Honorable Frederick P. Corbit

Chapter 7

**POTOMAC LAW GROUP'S REPLY TO
JUN DAM'S OBJECTION TO THE FIRST
AND FINAL CONTINGENCY FEE
APPLICATION OF THE POTOMAC LAW
GROUP PLLC (PERKINS ADVERSARY
PROCEEDING**

Hearing Date:

Date: September 10, 2024

Time: 10:30 Pacific Time

Location: 904 West Riverside Ave., Ste. 304
Spokane, WA 99201

PLG'S REPLY TO JUN DAM'S OBJECTION TO PLG CONTINGENCY FEE APPLICATION

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I. INTRODUCTION

Mr. Dam's Objection is a procedural motion to extend the hearing. Therefore, the Court has discretion to deny the request. Fed.R.Bank.P. 9006. Furthermore, Mr. Dam does not state cause to delay PLG's fee application hearing. He says he is looking for a lawyer to help develop a way to lay claim to the \$3 million in settlement proceeds that the Trustee obtained for the estate's benefit. There is no reason to allow Mr. Dam to pursue this vague and improper wish.

Cause does not exist for the further reason that the proposed claims to these proceeds are barred by the doctrines of claim and issue preclusion. The Automatic Stay Order¹ held that the Trustee’s claims in the Perkins Adversary² and Mr. Dam’s first three claims for relief asserted in the WTT Token Class Action³ arose from the same of facts, were “reflective” of each other, were property of the estate and that the Trustee had the exclusive standing to bring these claims. Mr. Dam would have the Court reverse its holding and grant exclusive standing to Mr. Dam to bring claims against Perkins. The Automatic Stay Order bars this effort.

¹ “Automatic Stay Order” refers to the *Memorandum Opinion and Order Regarding Stay and Motion for Order to Show Cause*, dated September 27, 2021, ECF No. 921.

² “Perkins Adversary” refers to the adversary proceeding entitled, *Waldron v. Perkins Coie LLP, et al.*, Adv. Proc. No. 20-80031, commenced on November 19, 2020 in the above-captioned Court.

³ “WTT Token Class Action” refers to the class action entitled, *Dam v. Perkins Coie LLP, et al.*, Case No. 20-464, commenced on December 16, 2020 in the U.S. District Court for the Eastern District of Washington.

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1 Furthermore, Mr. Dam released the estate of any claims arising from or
2 relating to the facts underlying the WTT Token Class Action. The Trustee's claims
3 in the Perkins Adversary arose from and relate to the same facts that underly the
4 WTT Token Class Action. Therefore, when Mr. Dam asserts an interest in the
5 Trustee's claims he is asserting a claim that falls squarely within the release of all
6 claims, legal or equitable, arising from or relating to the facts underlying the WTT
7 Token Class Action. It is released.

8 For all these reasons, the Potomac Law Group PLLC ("PLG") respectfully
9 requests that the Court to overrule Mr. Dam's Objection, deny his request for a
10 postponement and hold the hearing on PLG's fee application on September 10,
11 2024, as scheduled.

12 II. ARGUMENT

13 A. **The Objection is a Procedural Motion to Extend a Hearing Date**

14 Pursuant to Fed.R.Bank.P. 9006, a court can extend a hearing "*for cause*
15 shown . . . *in its discretion*. . . ." Fed. R. Bankr. P. 9006 (emphasis added). PLG
16 requests that the Court deny this request. PLG would be prejudiced by the delay.
17 And there is no scenario under which PLG could be deprived of compensation for
18 obtaining these proceeds as the Trustee's counsel. Furthermore, Mr. Dam's
19 proposed claim to ownership of the Settlement Proceeds is barred and released, as
20 set forth below, as a matter of law. Accordingly, PLG requests that the Court deny
21 the request for an extension.

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1 **B. Cause Does Not Exist to Postpone the Fee Application Hearing**

2 There is no cause to delay the hearing on PLG's fee application while Mr.
3 Dam searches for a lawyer who would be willing to bring a case that faces
4 insurmountable hurdles, as set forth below.

5 **1. Claim Preclusion Bars Mr. Dam's Proposed Claims**

6 On September 27, 2021, the Court entered the Automatic Stay Order in
7 which the Court held, on the Trustee's motion, that Mr. Dam's generalized claims
8 alleged in the WTT Token Class Action belonged to the estate. The Automatic
9 Stay Order further held that the Trustee's claims asserted in the Perkins Adversary
10 and Mr. Dam's claims asserted in the WTT Token Action arose from the same
11 "core factual allegations." Automatic Stay Order, ECF No. 921 at 3.

12 The Court added: "[T]he Class has 'merely repackaged the same facts
13 underlying the Trustee's claims without any new particularized injuries' that are
14 traceable to Perkins." *See Automatic Stay Order, ECF No. 921 at 17 (quoting In re
15 Bernard L. Madoff Inv. Sec. LLC, 531 B.R. 345, 353-54 (S.D.N.Y. 2015).* The
16 Court stated that Mr. Dam's generalized claims were "*merely reflective of the
17 estate's claims.* As a result, *the Class lacks standing to pursue the claims.*"
18 Automatic Stay Order, ECF No. 921 at 19 (emphasis added).

19 The Automatic Stay Order provides that the Trustee – not Jun Dam – has the
20 exclusive standing to bring the generalized claims arising from the facts that both
21 the Trustee and Jun Dam were alleging in their respective lawsuits. "When the
22 trustee has standing to assert a debtor's claim, that standing is exclusive and
23

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1 divests all creditors of the power to bring the claim.” Automatic Stay Order, ECF
2 No. 921 at 6. Therefore, Mr. Dam cannot have an interest in these proceeds that
3 would allow him to take the proceeds ahead of all other creditors.

4 Mr. Dam appealed the Automatic Stay Order to the District Court (Case No.
5 21-291). However, he dismissed that appeal with prejudice pursuant to his
6 settlement with Perkins (the “WTT Token Settlement Agreement”), Art. VII, ¶ G,
7 attached hereto as **Exhibit A**, after the Court approved it pursuant to that certain
8 *Order Granting Final Approval of Class Action Settlement*, dated May 23, 2024,
9 attached hereto as **Exhibit B**. Regarding the dismissal of the appeal of the
10 Automatic Stay Order, the WTT Token Settlement Agreement stated, “Any acts by
11 Perkins Coie keyed off of the Effective Date and conditions of settlement will not
12 be required until the consolidated appeal is dismissed.” *Id.*, Art. VII, ¶ G.

13 On July 1, 2024, Mr. Dam and the Trustee filed their Stipulated Dismissal of
14 Consolidated Appeals, attached hereto as **Exhibit C**. On August 2, 2024, the
15 District Court dismissed the appeal of the Automatic Stay Order with prejudice in
16 its *Order Granting Dismissal and Closing File*, attached hereto as **Exhibit D**.

17 Dismissal of the Consolidated Appeal with prejudice was also a condition of
18 the Trustee’s settlement of the Perkins Adversary. *See Settlement Agreement and*
19 *Release*, Art. III, ¶ G.3, attached hereto as **Exhibit E**. This Court approved the
20 settlement of the Perkins Adversary pursuant to that certain Order dated October 5,
21 2023, ECF No. 1031.

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1 Because Mr. Dam’s appeal of the Automatic Stay Order was dismissed with
2 prejudice, the Automatic Stay Order retains its preclusive effect. *See U.S. Bancorp*
3 *Mortg. Co. v. Bonner Mall P’ship*, 513 U.S. 18, 22, 115 S. Ct. 386, 390, 130 L. Ed.
4 2d 233 (1994) (holding that when an appeal is mooted by the parties’ settlement
5 and the appeal is dismissed, the underlying Orders retain their preclusive effect,
6 unless the appellate court grants the exceptional equitable remedy of vacatur); *City*
7 *& Cnty. of San Francisco v. United States Citizenship & Immigr. Servs.*, 992 F.3d
8 742, 753–54 (9th Cir. 2021) (“[C]ourts rarely vacate a lower court decision when
9 the parties voluntarily settle a case.”). The District Court did not vacate the
10 Automatic Stay Order. Therefore, it retained its preclusive effect.

11 Claim preclusion applies where “the earlier suit (1) involved the same
12 ‘claim’ or cause of action as the later suit, (2) reached a final judgment on the
13 merits, and (3) involved identical parties or privies.” *Save Bull Trout v. Williams*,
14 51 F.4th 1101, 1107 (9th Cir. 2022).

a) The Automatic Stay Contested Matter and the Proposed Adversary Proceeding Involve the Same Claim

17 Claim preclusion “bars a party in successive litigation from pursuing claims
18 that ‘were raised or could have been raised in a prior action.’” *Owens v. Kaiser*
19 *Found. Health Plan, Inc.*, 244 F.3d 708, 713 (9th Cir. 2001) (quoting *Western*
20 *Radio Servs. Co. v. Glickman*, 123 F.3d 1189, 1192 (9th Cir. 1997)). Claim
21 preclusion prevents Mr. Dam’s latest gambit by barring re-litigation of claims
 that were or could have been brought in a prior matter, in this case the contested

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1 matter that ended with the Automatic Stay Order. Reflecting these principles, the
2 court's analysis on this element considers the following four criteria:

3 [W]hich are not applied mechanistically: (1) whether the
4 two suits arise out of the same transactional nucleus of
5 facts; (2) whether rights or interests established in the
6 prior judgment would be destroyed or impaired by
7 prosecution of the second action; (3) whether the two
8 suits involve infringement of the same right; and (4)
9 whether substantially the same evidence is presented in
10 the two actions.

11 *Chao v. A-One Med. Servs., Inc.*, 346 F.3d 908, 921 (9th Cir. 2003).

12 (1) **These Two Matters Arise Out of the Same**
13 **Transactional Nucleus of Facts**

14 “The central criterion in determining whether there is an identity of claims
15 between the first and second adjudications is ‘whether the two suits arise out of the
16 same transactional nucleus of facts.’” *Owens*, 244 F.3d at 714 (9th Cir. 2001))
17 (quoting *Frank v. United Airlines, Inc.*, 216 F.3d 845, 851 (9th Cir. 2000) (citation
18 omitted)).

19 The Automatic Stay Order arose from the claims that Mr. Dam asserted in
20 the WTT Token Class Action. The Court held that those close arose from the same
21 facts as the facts alleged by the Trustee and the Perkins Adversary. They were the
22 same as the Trustee’s claims only “packaged” differently. Therefore, the Trustee
23 had the exclusive standing to bring these claims on behalf of the estate. Now Mr.
24 Dam wants to claim that in fact the Trustee’s claims were litigated on his behalf.

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(2) The Trustee's Rights and Interests Established in the Automatic Stay Order Would Be Destroyed or Impaired by Prosecution of the Proposed Adversary Proceeding

The Automatic Stay Order allowed the Trustee to exercise exclusive control over the claims arising from the facts alleged in both the WTT Token Class Action and the Perkins Adversary. Granting Mr. Dam the right to the proceeds of those proceeds would destroy the estate's rights under the Automatic Stay Order.

(3) The Two Matters Involve Infringement of the Same Right

The Automatic Stay contested matter and Mr. Dam's Objection involve infringement of the right to assert claims arising from the same facts against Perkins. The Court ruled in the estate's favor. Mr. Dam is now asking the court to reverse itself and rule in his favor.

(4) The Two Matters Involve the Same Evidence

In the Automatic Stay contested matter, the Court considered the question of standing to bring the claims arising from the facts asserted in both the WTT Token Class Action and the Perkins Adversary. Mr. Dam’s Objection turns on the same claims and therefore the same facts. *Cf. Feminist Women’s Health Ctr. v. Codispoti*, 63 F.3d 863, 868 (9th Cir. 1995) (holding that *res judicata* bars subsequent action when the plaintiff “had to produce substantially the same evidence in both suits to sustain its case”).

b) The Automatic Stay Order Is Final

Mr. Dam stipulated that the Court could decide the issue of standing and ownership of the claims in the Automatic Stay contested matter based on the record before the Court.

JUDGE [TO Mr. Blood, counsel for the Class]: Both Ms. Egan on behalf of the trustee and Mr. Blood on behalf of Mr. Dam want me to decide today whether or not the District Court Action is subject to the stay . . . I could rule, make a final order one way or the other way, if I am not awarding sanctions, is that right Mr. Blood?

MR. BLOOD: *Yes that's our position* (ECF 915 beginning at 14:44).

Automatic Stay Order, ECF No. 921 at 2, n. 3. (Emphasis added.)

This stipulation is consistent with the case law. The Supreme Court has held that a stay order is final if it places the opposing litigant “effectively out of court.”

Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 10, 103 S.Ct.

927, 74 L.Ed.2d 765 (1983) (quoting *Idlewild Bon Voyage Liquor Corp. v.*

¹⁰ Epstein, 370 U.S. 713, 715 n. 2, 82 S.Ct. 1294, 8 L.Ed.2d 794 (per

curiam)). *Accord In re PG&E Corp. Sec. Litig.*, 100 F.4th 1076 (9th Cir. 2

The Automatic Stay Order put Mr. Dam “effectively out of court” with respect to

the claims arising from the same facts alleged in the Perkins Adversary and the

WTT Token Class Action. Therefore, the Order regarding standing to pursue the

claims is final

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c) The Automatic Stay Contested Matter and Mr. Dam's Proposed Adversary Proceeding Involve the Same Parties

The Trustee brought the motion for the Automatic Stay Order against Mr. Dam, who opposed it. The Trustee would be the defendant in Mr. Dam's proposed adversary proceeding. Therefore, the same parties would be present in both matters.

2. Issue Preclusion Bars Mr. Dam's Proposed Claims

Collateral estoppel or issue preclusion precludes relitigating issues that have already been litigated and that were necessary to a prior judgment. *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n. 5, 99 S.Ct. 645, 649 n. 5, 58 L.Ed.2d 552 (1979). How it is used to avoid needless litigation is left to the broad discretion of the trial court. *Id.* See also *United States v. Munsingwear, Inc.*, 340 U.S. 36, 38, 71 S. Ct. 104, 95 L. Ed. 36 (1950):

[E]ven if the second suit is for a different cause of action, the right, question or fact once so determined must, as between the same parties or their privies, be taken as conclusively established, so long as the judgment in the first suit remains unmodified.

Id., at 105-06. The requirements for issue preclusion are:

(1) the issue necessarily decided at the previous proceeding is identical to the one which is sought to be relitigated;

(2) the first proceeding ended with a final judgment on the merits; and

(3) the party against whom [issue preclusion] is asserted was a party or in privity with a party at the first proceeding.

Reyn's Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 746 (9th Cir. 2006).

These elements are present here.

a) The Issue Underpinning Mr. Dam’s Proposed New Adversary Proceeding Was Actually Litigated in the Automatic Stay Contested Matter and Was Necessary to the Automatic Stay Order With a Full and Fair Opportunity to Argue Them

The Trustee asked the Court to hold that Mr. Dam’s claims asserted in the Perkins Adversary were stayed pursuant to section 362(a)(3) of the Bankruptcy Code. The Court found that the first three claims of relief asserted by Mr. Dam in the WTT Token Class Action and the claims asserted by the Trustee in the Perkins Adversary arose from the same set of facts. The Court further held that only the Trustee had standing to bring claims arising from these facts. Although Mr. Dam gave his claims different names, they were merely “reflective” of the Trustee’s claims and they belonged to the estate. This finding was essential to the Court’s Automatic Stay Order.

Mr. Dam would have the Court reconsider the issue of exclusive standing to bring these claims and thus overrule the Automatic Stay Order. Re-litigation of the issue is precluded.

Mr. Dam had a full and fair opportunity to litigate these issues. Through counsel, he stipulated to having the Court decide these issues in the contested matter. Automatic Stay Order, ECF No. 921 at 2, n. 3.

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b) The Automatic Stay Order Is Final

As set forth above, the Automatic Stay Order was a final judgment on the merits.

c) The Parties Are the Same

Both Mr. Dam and the Trustee were the parties in the Automatic Stay contested matter. They would be the same parties in the proposed adversary proceeding. Therefore, his new claim is barred by issue preclusion.

3. The Proposed Adversary Proceeding Is Barred by the Release

The WTT Token Settlement Agreement provides a release (“Release”) as follows:

Upon the Effective Date, each and every Releasing Party **shall by order of this Court** be deemed to have released, waived, forfeited and shall be permanently barred and enjoined from initiating, asserting, and/or prosecuting **any Released Claim against any Released Party** in any court or any forum.

WTT Token Settlement Agreement at 24:20-23, Art. VII, ¶ A, **Exh. A**. (Emphasis added.) The Effective Date occurred on July 8, 2024. *See* Declaration of Pamela M. Egan (“Egan Declaration”), filed herewith.

The WTT Token Settlement Agreement further states:

“Released Claims” means any and all actions, claims, demands, rights, suits, and causes of action of whatever kind or nature against the Released Parties, including damages, costs, expenses, penalties, equitable relief, injunctions, and attorneys’ fees, known or unknown,

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suspected or unsuspected, in law or in equity, *that arise from or relate to the facts giving rise to this Action.*

WTT Token Settlement Agreement at 9:7-11, Art. II, ¶ A.35, **Exh. A**. (Emphasis added).

The WTT Token Settlement Agreement further provided that:

[U]pon final approval of the Settlement Agreement, the Final Judgment and Approval Order shall be entered dismissing the Action with prejudice and releasing all Released Claims against the Released Parties.

Id., Recitals at 3:19-21, **Exh. A**. The WTT Token Settlement Agreement is governed by Washington law. *Id.* at 32:3-5, Art. XII, ¶ M, **Exh. A**.

10 As set forth above, the District Court approved the WTT Token Settlement
11 Agreement on May 23, 2024. *See Order, Exh. B.* Perkins, Mr. Dam, and the Class
12 Members agreed that as to disputes between themselves the District Court would
13 retain jurisdiction to interpret the Agreement. WTT Token Settlement Agreement
14 at 25:21-25, Art. VII, ¶ E, Art. XII, ¶ L, **Exh. A**. The Trustee is excluded from that
15 provision. Therefore, this Court has jurisdiction to interpret and enforce the
16 Release of the estate.

The Washington Supreme Court “interprets settlement agreements in the same way as other contracts.” *McGuire v. Bates*, 169 Wash. 2d 185, 188 (2010) (citing *Mut. of Enumclaw Ins. Co. v. USF Ins. Co.*, 164 Wash. 2d 411, 424 n. 9 (2008)). In interpreting contracts, Washington courts follow the “objective manifestation theory of contracts.” *Hearst Commc’ns, Inc. v. Seattle Times Co.*, 154 Wash. 2d 493, 503 (2005). Under that approach, courts “impute an intention

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1 corresponding to the reasonable meaning of the words used" and generally give
2 words "their ordinary, usual, and popular meaning unless the entirety of the
3 agreement clearly demonstrates a contrary intent." *Id.* at 503-04. The parties'
4 subjective intent is generally irrelevant if "an intention corresponding to the
5 reasonable meaning of the words used" can be imputed. *Id.*

6 a) **Mr. Dam is a "Releasing Party" Within the Meaning of the**
7 **WTT Token Settlement Agreement**

8 The WTT Token Settlement Agreement states, "'Releasing Party' means
9 Plaintiff and each and every Class Member." *WTT Token Settlement Agreement* at
10 9:18-19, Art. II, ¶ A.37, **Exh. A**. The Agreement states, "'Plaintiff' means the
11 proposed Class Representative Eric Blomquist." *Id.* at 8:22-23, Art. II, ¶ A.32.
12 However, it also means Jun Dam because it uses the term "Plaintiff" to refer to Mr.
13 Dam. For example, it states, "Plaintiff will seek a voluntary dismissal" of the
14 Consolidated Appeal. *Id.* at 26:15-16, Art. VII, ¶ G. It also recites how "Plaintiff"
15 appealed the Automatic Stay Order, *id.* at 2:12-14, Art. I, ¶ F, and how "Plaintiff"
16 and his counsel. . . attended an all day, in person mediation . . . on January 20,
17 2023." *Id.* at 2:20-22, Art. I, ¶ I. Jun Dam is also listed in the caption of the WTT
18 Token Settlement Agreement as a named Plaintiff.

19 Jun Dam is a "Releasing Party" for the additional reason that he is also a
20 Class Member, which the WTT Token Settlement Agreement defines as "all
21 persons or entities who owned one or more Tokens on November 19, 2018" who

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1 have not opted out. *Id.* at 4:24-26, 5:1-9, Art. II, ¶ A.9.⁴ Jun Dam alleges that he
2 owned Tokens on the Petition Date. *See* Jun Dam Proof of Claim No. 51 (claiming
3 to own WTT Tokens as of the Petition Date). He did not opt out of the class.

4 **b) The Giga Watt Estate Is A Released Party**

5 The WTT Token Settlement Agreement defines “Released Party” or
6 “Released Parties” to include, “the Giga Watt Estate, Mark D. Waldron as Chapter
7 Trustee of the Giga Watt Estate, and agents and attorneys of the Giga Watt
8 Estate. WTT Token Settlement Agreement at 9:12-17, Art. II, ¶ A.36, **Exh. B.**

9 **c) Mr. Dam’s Proposed Claim Is a “Released Claim”**

10 As set forth above, the WTT Token Settlement Agreement defines
11 “Released Claim” as claims “that arise from or relate to the facts giving rise to this
12 Action.” *Id.* at 9: 7-11, Art. II, ¶ A.35, **Exh. B.** The facts giving rise to the WTT
13 Token Action and to the Perkins Adversary were the same. Therefore, Mr. Dam’s
14 assertion that he owns the claims made in the Perkins Adversary arises from and
15 relates to “the facts giving rise to this Action.”

16 **d) The Release Is Deemed to Be a Court Order**

17 Mr. Dam released the estate “by order” of the District Court. WTT Token
18 Settlement Agreement at 24:22-23, Art. VII, ¶ A, **Exh. A.** Consideration is not
19 necessary for an Order to be enforceable.

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21
22 ⁴ The exceptions to class membership stated therein do not apply here.
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25

e) **The Release Is Supported By Consideration**

Perkins paid \$4.5 million pursuant to the WTT Token Settlement Agreement in exchange for a release from Mr. Dam of both Perkins and the estate. That consideration is sufficient for the estate to enforce the release against Mr. Dam under Washington law which governs both the Trustee's settlement and the WTT Token settlement. WTT Token Settlement Agreement, Art. XII, ¶ M, **Exh. A.** See *John Davis & Co. v. Cedar Glen No. Four, Inc.*, 75 Wash. 2d 214, 450 P.2d 166 (1969):

It is not essential that the consideration move directly from the promisee. It is sufficient if it moves from a third person. Generally, if consideration is sufficient in other respects, it does not matter from whom the consideration moves. It may move from a third person as well as from the promisee.

Id., 75 Wash. 2d at 22, 450 P.2d at 171. (Citation omitted.) Perkins paid the \$4.5 million to the class in order to obtain the release of both itself and the estate. The Trustee would not have released Perkins otherwise. *See* Declaration of Mark D. Waldron (“Waldron Declaration”), filed herewith.

f) The Trustee's Detrimental Reliance on the Release is a Consideration Substitute

If Mr. Dam were to violate the Automatic Stay Order and the Release and commence an adversary proceeding to revisit the issue of standing over the claims asserted in the Perkins Adversary and the WTT Token Class Action, then the Trustee would, among other things, counter-claim asserting promissory estoppel to

1 enforce the Release. “Promissory estoppel based on Restatement of Contracts
2 section 90 (1932) has long been recognized in this state. . . .” *Klinke v. Famous*
3 *Recipe Fried Chicken, Inc.*, 94 Wash. 2d 255, 259, 616 P.2d 644, 646 (1980).
4 Restatement (First) of Contracts § 90 (1932) states:

5 A promise which the promisor should reasonably expect
6 to induce action or forbearance of a definite and
7 substantial character on the part of the promisee and
8 which does induce such action or forbearance is binding
9 if injustice can be avoided only by enforcement of the
promise.

10 *Id.* A party’s detrimental reliance on another’s promise is a substitute for
11 consideration.

12 The doctrine of promissory estoppel operates “to make a
13 promise binding, under certain circumstances, without
14 consideration in the usual sense” as it allows a plaintiff to
15 sue for enforcement of a promise based, in part, on
16 reliance.

17 25 Wash. Prac., Contract Law And Practice § 6:1 (3d ed.) (quoting *Greaves v.*
18 *Medical Imaging Systems, Inc.*, 124 Wash. 2d 389, 398, 879 P.2d 276 (1994) and
19 *Klinke*, 94 Wash. at 261, n. 4). See also 4 Williston on Contracts § 8:4 (4th ed.)
20 (“The binding thread in all the classes of cases [regarding promissory estoppel] is
21 the justifiable reliance of the promisee and the hardship involved in refusal to
22 enforce the promise.”).

23 The Trustee’s promissory estoppel counterclaim would meet all the elements
24 of promissory estoppel. The Trustee required the Release before he would agree to
25 settle the Perkins Adversary. Mr. Dam knew this because it was communicated to

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1 his counsel multiple times over the course of more than a year of negotiations. See
2 Declaration of Pamela M. Egan, filed herewith. In reliance on the Release, the
3 Trustee entered into the Trustee's Settlement with Perkins. *See* Waldron
4 Declaration. It would be unjust to allow Mr. Dam to evade the Release now.

5 **III. RESERVATION OF RIGHTS**

6 PLG reserves the right to contest Mr. Dam's proposed claims on any ground
7 whatsoever, including, but not limited. to the grounds set forth herein.

8 **IV. CONCLUSION**

9 It would be well within the Court's discretion to postpone consideration of
10 PLG's fees. Mr. Dam wants a postponement so that he has more time to figure out
11 how to evade the Automatic Stay Order and the Release. The doctrines of claim
12 and issue preclusion anticipate and block this effort. He cannot re-litigate the
13 original dispute and evade this Court's adverse rulings. Further, the Release is a
14 binding Court Order to which Mr. Dam is also bound.

15 *[This Reply continues on the next page.]*

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WHEREFORE, PLG requests that the Court deny the Objection, grant the Fee Application, and grant such other and further relief as the Court deems appropriate and just.

Dated: August 27, 2024 POTOMAC LAW GROUP PLLC

By: /s/ Pamela M. Egan
Pamela M. Egan (WSBA No. 54736)

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